

MINUTES

MONTANA SENATE 62nd LEGISLATURE - REGULAR SESSION

COMMITTEE ON TAXATION

Call to Order: Vice Chair Bob Lake, on March 25, 2011 at 8:00 AM, in Room 405 Capitol

ROLL CALL

Members Present:

Sen. Bob Lake, Vice Chair (R)
Sen. Ron Arthun (R)
Sen. Gary Branae (D)
Sen. Ron Erickson (D)
Sen. Kim Gillan (D)
Sen. Christine Kaufmann (D)
Sen. Art Wittich (R)

Members Excused:

Sen. Bruce Tutvedt, Chair (R)
Sen. Jeff Essmann (R)
Sen. Jim Peterson (R)
Sen. Chas Vincent (R)
Sen. Kendall Van Dyk (D)

Members Absent: None

Staff Present:

Lee Heiman, Legislative Branch
Debra Polhemus, Committee Secretary

Audio Committees: These minutes are in outline form only. They provide a list of participants and a record of official action taken by the committee. The link to the audio recording of the meeting is available on the Legislative Branch website.

Committee Business Summary:

Hearing & Date Posted: SR 3, 3/22/2011; SB 419, 3/22/2011; SB 426, 3/23/2011

Executive Action: Tabled: SB 399 ~ SB 419 ~ SB 426
Reconsidered & Tabled: SB 360
Be Adopted: SR 3
Do Pass: SB 412

HEARING ON SB 426

Opening Statement by Sponsor:

00:00:49 Sen. Joe Balyeat (R), SD 34, opened the hearing on SB 426, Referendum for contingent property and income tax reductions based on surplus.

Proponents' Testimony: None

Opponents' Testimony: None

Informational Testimony: None

Questions from Committee Members and Responses:

00:11:54 Sen. Erickson
 00:13:18 Sen. Balyeat
 00:14:37 Sen. Lake
 00:15:11 Sen. Balyeat
 00:15:49 Lee Heiman, Legislative Services Division (LSD)
 00:16:05 Sen. Lake
 00:16:25 Sen. Balyeat
 00:16:57 Sen. Arthun
 00:17:47 Sen. Kaufmann
 00:18:38 Sen. Balyeat

Closing by Sponsor:

00:20:07 Sen. Joe Balyeat

HEARING ON SB 419

Opening Statement by Sponsor:

00:21:26 Sen. Ron Erickson (D), SD 47, opened the hearing on SB 419, Decouple individual and corp tax from federal temporary depreciation and expense.

EXHIBIT(tas67a01)

00:22:28 Senator Tutvedt arrived at committee meeting

Proponents' Testimony: None

(Sen. Erickson requested that the record reflect that Tara Veazey, of the Montana Budget and Policy Center, be listed as a proponent. She was in attendance, but had to leave before SB 419 was heard.)

Opponents' Testimony:

00:25:43 Holly Franz, representing Montana Society of CPAs
 00:27:48 Nancy Schlepp, representing Montana Taxpayers Association (MTA)

Informational Testimony:

00:28:59 Lee Baerlocher, Department of Revenue (DOR)

Questions from Committee Members and Responses:

00:29:23 Sen. Arthun
 00:29:57 Sen. Erickson
 00:30:20 Sen. Kaufmann
 00:30:43 Tara Veazey, representing Montana Budget and Policy Center (MBPC), without objection
 00:33:02 Chairman Tutvedt
 00:34:03 Sen. Erickson
 00:35:24 Chairman Tutvedt
 00:35:47 Sen. Wittich
 00:36:09 Sen. Erickson
 00:37:17 Sen. Wittich
 00:37:30 Sen. Erickson
 00:37:46 Sen. Wittich
 00:38:05 Tara Veazey, MBPC
 00:39:07 Sen. Wittich
 00:39:43 Tara Veazey
 00:40:46 Sen. Kaufmann
 00:41:04 Tara Veazey
 00:41:53 Sen. Lake
 00:42:05 Sen. Erickson
 00:42:36 Lee Heiman, LSD
 00:43:12 Sen. Lake

Closing by Sponsor:

00:43:45 Sen. Ron Erickson

EXECUTIVE ACTION ON SB 412

(Senators Essmann, Peterson, and Vincent are excused)

00:45:32 **Motion:** Sen. Lake moved that **SB 412 DO PASS.**

Discussion:

00:45:44 Sen. Wittich
 00:46:58 Chairman Tutvedt
 00:47:53 Sen. Lake
 00:48:50 Sen. Wittich
 00:49:14 Sen. Lake
 00:49:31 Chairman Tutvedt
 00:49:48 Sen. Wittich
 00:50:16 Sen. Kaufmann
 00:50:57 Sen. Wittich
 00:51:06 Sen. Kaufmann

00:51:16 Chairman Tutvedt

00:51:37 Sen. Kaufmann

00:51:46 **Vote:** Motion carried 11-1 by roll call vote with Sen. Wittich voting no. Sen. Branae, Sen. Essmann, Sen. Peterson, Sen. Van Dyk and Sen. Vincent voted by proxy.

HEARING ON SR 3

Opening Statement by Sponsor:

00:52:50 Sen. Kim Gillan (D), SD 24, opened the hearing on SR 3, Confirm appointee to State Tax Appeals Board.

Proponents' Testimony:

00:55:16 Patti Keebler, Board and Commission Appointments for Governor Schweitzer, also speaking on behalf of Governor Brian Schweitzer

00:56:26 Samantha Sanchez, Nominee

00:57:33 Chairman Tutvedt

00:57:40 Samantha Sanchez

00:59:47 Karen Powell, Chairwoman, Tax Appeal Board

Opponents' Testimony: None

Informational Testimony: None

Questions from Committee Members and Responses:

01:00:21 Sen. Erickson

01:00:51 Samantha Sanchez

01:02:11 Sen. Erickson

01:02:17 Samantha Sanchez

01:02:55 Sen. Lake

01:03:38 Samantha Sanchez

01:06:04 Sen. Wittich

01:06:31 Samantha Sanchez

01:08:33 Sen. Wittich

01:10:13 Samantha Sanchez

01:11:53 Sen. Lake

01:11:59 Samantha Sanchez

Closing by Sponsor:

01:12:14 Sen. Kim Gillan

EXECUTIVE ACTION ON SR 3

01:13:38 **Motion/Vote:** Sen. Lake moved that **SR 3 BE ADOPTED**. Motion carried unanimously by voice vote. Sen. Essmann, Sen. Peterson, Sen. Van Dyk and Sen. Vincent voted by proxy.

EXECUTIVE ACTION ON SB 399

01:15:49 **Motion:** Sen. Kaufmann moved that **SB 399 DO PASS**.

01:16:01 **Motion:** Sen. Kaufmann moved that **SB 399 BE AMENDED**.
EXHIBIT(tas67a02)

01:16:17 Van Dyk arrived at committee meeting

Discussion:

01:17:17 Lee Heiman
01:17:24 Sen. Erickson
01:17:37 Sen. Kaufmann
01:18:02 Sen. Wittich
01:18:59 Sen. Kaufmann
01:19:49 Sen. Wittich
01:20:52 Chairman Tutvedt
01:21:01 Lee Heiman, LSD

01:21:17 **Vote:** Motion failed 6-6 by roll call vote with Sen. Arthun, Sen. Branae, Sen. Erickson, Sen. Gillan, Sen. Kaufmann and Sen. Van Dyk voting aye. Sen. Essmann, Sen. Peterson, and Sen. Vincent voted by proxy.

01:22:11 **Vote:** Motion failed 4-8 by roll call vote with Sen. Branae, Sen. Erickson, Sen. Kaufmann and Sen. Van Dyk voting aye. Sen. Essmann, Sen. Peterson and Sen. Vincent voted by proxy. Without objection from the committee, Sen. Lake requested that **SB 399 BE TABLED**.

EXECUTIVE ACTION ON SB 401

01:23:29 **Motion:** Sen. Erickson moved that **SB 401 DO PASS**.

01:23:37 **Motion:** Sen. Erickson moved that **SB 401 BE AMENDED WITH A CONCEPTUAL AMENDMENT** that the percentage be reduced from 25% to 10%.

Discussion:

01:23:54 Lee Heiman
01:24:14 Sen. Erickson
01:24:50 Chairman Tutvedt

01:25:32 **Substitute Motion/Vote:** Sen. Lake made a substitute motion that **SB 401 BE TABLED**. Substitute Motion failed 5-7 by roll call vote with Sen. Arthun, Sen. Essmann, Sen. Lake, Sen. Peterson and Sen. Tutvedt voting aye. Sen. Essmann, Sen. Peterson, and Sen. Vincent voted by proxy. (After voting, Sen. Lake stated he erred in casting the proxy vote for Sen. Vincent.)

01:26:36 **Motion/Vote:** Sen. Erickson moved that **SB 401 BE AMENDED WITH A CONCEPTUAL AMENDMENT** to reduce the percentage from 25% to 10%. Motion carried 9-0 by voice vote of those present and voting.

01:28:19 **Motion:** Sen. Erickson moved that **SB 401 DO PASS AS AMENDED**.

Discussion:

01:28:47 Sen. Kaufmann

01:28:56 **Vote:** Motion failed 6-6 by roll call vote with Sen. Branae, Sen. Erickson, Sen. Gillan, Sen. Kaufmann, Sen. Van Dyk and Sen. Wittich voting aye. Sen. Essmann, Sen. Peterson and Sen. Vincent voted by proxy.

EXECUTIVE ACTION ON SB 426

01:30:18 **Motion/Vote:** Sen. Lake moved that **SB 426 BE TABLED**. Motion carried 7-2 by voice vote of those present and voting with Sen. Tutvedt and Sen. Wittich voting no.

EXECUTIVE ACTION ON SB 419

01:31:22 **Motion:** Sen. Erickson moved that **SB 419 DO PASS**.

Discussion:

01:31:30 Sen. Erickson

01:32:24 Chairman Tutvedt

01:32:43 Gene Walborn, Administrator, Business and Income Taxes Division, DOR, without objection

01:33:10 Sen. Erickson

01:33:15 Chairman Tutvedt

01:33:52 Sen. Erickson

01:34:09 Sen. Lake

01:34:39 Sen. Gillan

01:35:23 Chairman Tutvedt

01:35:34 **Substitute Motion/Vote:** Sen. Wittich made a substitute motion that **SB 419 BE TABLED**. Substitute Motion carried 7-5 by roll call vote with Sen. Branae, Sen. Erickson, Sen. Gillan, Sen. Kaufmann and Sen. Van Dyk voting no. Sen. Essmann, Sen. Peterson and Sen. Vincent voted by proxy.

EXECUTIVE ACTION ON SB 360

01:36:44 **Motion/Vote:** Sen. Kaufmann moved that **SB 360 BE REMOVED FROM TABLED**. Motion carried 5-4 by voice vote of those present and voting with Sen. Arthun, Sen. Lake, Sen. Tutvedt and Sen. Wittich voting no.

01:38:35 **Motion:** Sen. Kaufmann moved that **SB 360 DO PASS**.

01:38:52 **Motion:** Sen. Kaufmann moved that **SB 360 BE AMENDED**.
EXHIBIT(tas67a03)

Discussion:

01:39:16 Sen. Kaufmann

01:39:51 **Vote:** Motion carried 9-0 by voice vote of those present and voting.

01:40:06 **Motion/Vote:** Sen. Kaufmann moved that **SB 360 DO PASS AS AMENDED**. Motion failed 5-7 by roll call vote with Sen. Branae, Sen. Erickson, Sen. Gillan, Sen. Kaufmann and Sen. Van Dyk voting aye. Sen. Essmann, Sen. Peterson and Sen. Vincent voted by proxy. Without objection from the committee, Sen. Lake requested that SB 360 **BE TABLED**.

ADJOURNMENT

Adjournment: 9:50 A.M.

Debra Polhemus, Secretary

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Additional Documents:

EXHIBIT([tas67aad.pdf](#))